

CALIFORNIA MEDICAL ASSOCIATION

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NOTICES AND REPORTS

Minutes of C.M.A. Executive Committee Meetings

Tentative Draft: Minutes of the 206th Meeting of the Executive Committee, San Francisco, January 13, 1948.

The meeting was called to order by Chairman Shipman at the Family Club at 11:30 a.m.

1. Roll Call:

Present were Doctors Shipman, Cline, Bruck, Garland (ex-officio) and Messrs. Whitaker and Hunton. Absent: Doctors Askey, Alesen and Wilbur (ex-officio.)

2. California Centennial:

Dr. Cline presented an invitation from Governor Warren for a C.M.A. representative to attend the California Youth Conference in Sacramento. It was regularly moved, seconded and voted that Dr. Frank A. MacDonald of Sacramento be asked to represent the Association on this occasion.

3. A.M.A. Rural Health Conference:

It was regularly moved, seconded and voted that Dr. Carroll B. Andrews, Chairman of the C.M.A. Committee on Rural Medical Service, be requested to attend a Chicago meeting of the A.M.A. Conference on Rural Medical Care on February 6 and 7, 1948, at which time Doctor Andrews plans to be in Chicago on other business.

4. County Medical Society Election:

Dr. Cline read a letter received from a member who complained that the election of officers in his county medical society had resulted in the assumption of office by individuals whose views were opposed to the expressed views of organized medicine; he believed that such an election should be construed as invalidating the charter of the county society. The Committee voted to place the matter on the agenda for the next Council meeting and to so notify the member.

5. Rebates:

There was considerable discussion of the situation regarding rebates, particularly in view of the newspaper publicity in Los Angeles and San Diego. It was moved, seconded and voted that the C.M.A. should take the following steps at this time:

1. Draft legislation for introduction in Sacramento to provide penalties for those found guilty of giving or receiving rebates.

2. Ask the Better Business Bureaus to exact pledges from their members that rebates would not be given or received.

3. Ask county medical societies to take disciplinary action against members guilty of rebate practices.

It was decided to invite legislative leaders to the next Council meeting to discuss this legislation.

(This entire action was made contingent on the approval of Doctors Askey and Alesen; this approval was given by telephone later in the day.)

Adjournment.

SIDNEY J. SHIPMAN, M.D., *Chairman*

L. HENRY GARLAND, M.D., *Secretary*

Tentative Draft: Minutes of the 207th Meeting of the Executive Committee, San Francisco, January 18, 1948.

The meeting was called to order by Chairman Shipman in the C.M.A. office at 10 a.m.

1. Roll Call:

Present were Doctors Shipman, Cline, Askey, Alesen, Bruck, Garland (ex-officio), Wilbur (ex-officio) and, by invitation for portion of the meeting, Dr. Glenn Cushman of San Francisco and Dr. Wilbur Bailey, C.M.A. Councilor, and for the entire meeting, Messrs. Hassard and Hunton.

2. Association of Santa Fe Coast Line Physicians:

Dr. Askey reported on several meetings held in Los Angeles between the C.M.A. Council's committee and representatives of the Association of Santa Fe Coast Lines Physicians. This Association has been recognized by the Santa Fe Hospital Association as bargaining agent for its physician members for purposes of the National Railway Labor Act and has expended funds for legal fees and transcripts preparatory to meetings with directors of the hospital before a federal railway mediator over requests of the physicians for adjustment of wages, working conditions and arbitration of grievances. The Association is in need of legal and financial assistance if it is to achieve the aims of its members and has requested C.M.A. officers to consider the propriety of giving such assistance.

Mr. Hassard, who met with officers of the Association of Santa Fe Coast Lines Physicians, discussed the legal situation and mentioned that litigation to determine the exact legal status of the physicians' group might be lengthy and costly.

Dr. Glenn Cushman, representing the Santa Fe physicians in the San Francisco Bay area, discussed the situation.

After full discussion it was regularly moved, seconded and voted that the moral force of the C.M.A. should be placed behind the physician members of this group, that legal and public relations counsel be instructed to give such assistance as is possible without the C.M.A. appearing officially in the case, and that legal counsel be authorized to employ assistant legal counsel for this case, if advisable.

3. Date of Next Council Meeting:

It was pointed out that the dates of February 28 and 29, 1948, set for the next Council meeting could not be used because of the lack of hotel facilities at that time. After discussion it was regularly moved, seconded and voted that the meeting be held in Los Angeles on February 21 and 22, 1948.

4. Rebates:

Discussion was held on publicity resulting from C.M.A. statements regarding rebates and it was pointed out that the Better Business Bureau of Los Angeles was anxious that legislation to prohibit rebates be introduced in the budget session of the Legislature in March, 1948, rather than awaiting the regular session in 1949. It was stated that the introduction of such legislation must follow proper legislative methods and not be forced on the Legislature as an emergency measure. It was also regularly moved, seconded and voted that the joint committee of the C.M.A. and the Board of Medical Examiners which is studying a complete rewriting of the Medical Practice Act be urged to seek inclusion in the revised act of a section setting forth that participation in rebating practices constitutes unprofessional conduct.

5. Employee Pension Plan:

Dr. Cline presented a new proposal made by an insurance agent for establishment of a pension plan for C.M.A. employees. He stated that this subject had been studied several years ago and dropped because of costs which were considered excessive. The new proposal provides a more modest plan at a considerably lower cost and he suggested that a new committee be named to study the matter. It was regularly moved, seconded and voted that such a committee be named, to consist of Dr. Donald Charnock as chairman, Dr. Cline and Dr. Alesen.

6. Status of Non-Profit Hospitals:

The Secretary reported that a recent ruling of the State Board of Equalization had resulted in some non-profit hospitals being removed from their tax-exempt status where they employed radiologists or pathologists on a basis of income higher than that paid similar physicians in state-owned hospitals. As a result of this ruling some hospitals have taken steps to cancel existing contracts with physicians on the ground their tax-exempt status may be endangered! It was regularly moved, seconded and voted that legal counsel give every assistance in this matter to the physicians whose status and working arrangements may be under question because of this ruling.

7. Membership:

On nomination by his county society, Dr. Earl R. McPheeters of Berkeley was elected to retired membership.

SIDNEY J. SHIPMAN, M.D., *Chairman*

L. HENRY GARLAND, M.D., *Secretary*

California Physicians' Service

Fish or Cut Bait

In a brochure published recently by the Bureau of Medical Economic Research of the American Medical Association, Frank G. Dickinson, Ph.D., Director of the Bureau, distributes the 1945 "medical" dollar as follows: Physicians, 27 cents; Hospitals, 16 cents; Dentists, 13 cents; Drugs, 23 cents; Other, 21 cents.

A footnote to his statistical study which merits special attention, defines the meaning of "other" as:

1. Student fees prepaying for medical care.
2. Accident and Health Insurance, net payments.
3. Mutual and Accident and Sick Benefit Associations, net payments.

In other words, various voluntary prepayment medical care agencies accounted for more than 20 per cent of every medical dollar spent in the year 1945. In 1946-1947, a period for which figures are not yet available, the proportion will be higher, for in these years the prepayment plans have had their greatest growth.

The reaction of the doctors to the well defined trend toward prepaid medical care is not uniform. Some welcome it. Some are apathetic toward it. Many deplore it. One writes as follows in the April, 1947, issue of *Medical Economics*:

"The great majority of doctors don't want prepaid medical care now any more than they wanted it a few years ago. Even fear of government control won't elicit their wholehearted cooperation in the voluntary movement. Though voluntary health insurance plans are forming throughout the U. S., I think most of them will be thrown into the discard in the near future. Most physicians don't want to practice medicine that way. They don't want to be regimented by the government or by anyone else.

Signed _____, M.D., Washington."

Obviously the writer from Washington believes that the physician can, independently and without reference to factors other than his own wishes, define and freeze the pattern of his future practice. It is a temptation to suggest that economic factors and the wishes of his patients might have a considerable influence upon the ultimate definition of that design.

But the reason for the doctor's point of view (which, as he states, is shared by many) is more interesting than his prognosis of the future. Since the prepayment plans act only in a fiscal capacity for their members and do not intrude into or restrict either the patient-physician relationship or the treatment procedures involved, it is difficult to understand the use of the word "regimented" to define the real objection to them. Could the Washington doctor's real objection be to a possible reduction in fees chargeable if prepayment plans succeed in enrolling an ever larger membership among the people?

There is no reason why such an objection should not be stated openly—except perhaps, public reaction to it.

Nevertheless, if this is a real objection to the voluntary plans the physicians should do something to remove it. For if the voluntary plans fail the profession will have lost not only its one defense against governmental supervision, but it will have lost face as well. It is most unlikely that the public would forget that the voluntary plans were recommended by the profession itself as the best answer to the question of high cost medical care. With the American flair for pessimistic humor, the public can be expected to enjoy to the limit the spectacle of medicine's champion biting the dust—unhorsed by a burr under the saddle blanket.

However, even the certainty of ridicule would not justify the retention of the voluntary methods of prepayment, if the financial factor can be sustained as an objection to them. No one, least of all the American public, would deny the principle that the worker is worthy of his reward. No one would expect the doctor to serve without adequate compensation. The objective to be reached then is an agreement between the voluntary plans and the profession upon the limits of "adequate" compensation.

Such an agreement can be reached. But in view of the human and economic factors that will be the ultimate determinants, the resulting fees will be a

compromise. They will not be as high as some physicians will wish. Neither will they be starvation wages. Their virtue will lie in the fact that they are a compromise reached by two parties in acknowledgment of factors beyond the control of either or both.

If the profession wishes to avoid the controls of government supervision it must set about reaching such an agreement at once. The voluntary plans cannot survive without the wholehearted support of their professional sponsors. Without agreement on fees that support will never be more than half-hearted.

It should be emphasized that there are not a half dozen alternatives to the voluntary plans. There is only one—a governmental plan. The public has declared its approval of and desire for prepaid medical care. If the profession cannot or will not supply it the government will be forced to do so, by public demand. There will be no return to "private" practice as we have known it.

The time has come to fish—or cut bait. If the profession is not interested in supporting its voluntary plans loyally and intelligently, then it should drop them—and stand by for government orders.

In Memoriam

BAYLEY, WALTER A. Died in Sawtelle, January 4, 1948, age 67, of virus pneumonia, secondary infection. Graduate of the University of Southern California School of Medicine, Los Angeles, 1905. Licensed in California in 1905. Doctor Bayley was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.



COGGIN, CHARLES BENJAMIN. Died in Berkeley, January 10, 1948, age 40, following an emergency operation. Graduate of the College of Medical Evangelists, Loma Linda-Los Angeles, 1935. Licensed in California in 1935. Doctor Coggin was a member of the Los Angeles County Medical Association, the California Medical Association, and the American Medical Association.



GRAVES, JOHN HENRY. Died in San Francisco, January 9, 1948, age 80. Graduate of the Cooper Medical College, San Francisco, 1896. Licensed in California in 1897. Doctor Graves was a member of the San Francisco County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.



HENDERSON, JOSEPH JEFFERSON. Died in San Francisco, January 9, 1948, age 77. Graduate of the University of Michigan Medical School, Ann Arbor, 1891. Licensed in California in 1892. Doctor Henderson was a retired member of the San Francisco County Medical Society, and the California Medical Association.



JOHNSON, CLARK MOORE. Died in San Francisco, January 18, 1948, age 49, of heart disease. Graduate of the University of California Medical School, Berkeley-San Francisco, 1924. Licensed in California in 1924. Doctor Johnson was a member of the San Francisco County Medical Society, the